

POOLED MONEY INVESTMENT BOARD

61st Annual Report | Fiscal Year 2016-17



JOHN CHIANG | State Treasurer and Chairman

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Preface

POOLED MONEY INVESTMENT BOARD

The Pooled Money Investment Board (PMIB), created by the Legislature in 1955, is comprised of the State Treasurer, as chairman, the State Controller and the Director of Finance. At the end of Fiscal Year 2016-17, the members were State Treasurer John Chiang, State Controller Betty T. Yee, and Director of Finance Michael Cohen.

The purpose of the PMIB is to design and administer an effective cash management and investment program, called the Pooled Money Investment Account (PMIA). The PMIA uses all monies flowing through the State Treasurer's bank accounts and keeps all available funds invested consistent with the goals of safety, liquidity and yield.

The law restricts the State Treasurer to investments in the following categories: U.S. government securities; securities of federally-sponsored agencies; California state securities; California municipal bonds or warrants; domestic

corporate bonds; interest-bearing time deposits in California commercial banks, savings and loan associations, and credit unions; prime-rated commercial paper; repurchase and reverse repurchase agreements; security loans; banker's acceptances; negotiable certificates of deposit; negotiable order of withdrawal accounts; and loans to various bond funds. The investment and demand account programs, over which the PMIB has oversight, and which are administered by the State Treasurer, will be covered in this report.

During Fiscal Year 2016-17, the PMIA's earnings totaled more than \$527 million. Approximately \$164 million of this amount was credited to local governments as a result of their deposits in the investment pool. The level of local governments' combined voluntary investments, which averaged \$21.80 billion daily, reflects the confidence these agencies have in the State Treasurer's investment management capabilities. The magnitude of these investment earnings provides a significant reduction in the tax burden that otherwise would be imposed on the citizens of California.



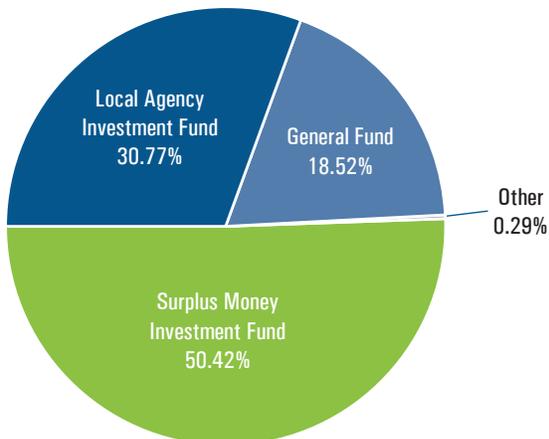
1. Pooled Money Investment Account

Resources of the PMIA averaged \$71.270 billion per day during Fiscal Year 2016-17, although the daily figures fluctuated widely with receipts and disbursements.

On the closing day of the fiscal year, the following resources were on hand in the PMIA:

Securities	\$71,308,729,072
General Fund Loans	\$0
AB 55 Loans	\$645,650,000
Time Deposit Balances	\$5,604,740,000
Demand Deposit Balances	\$786,629,720
TOTAL RESOURCES	\$78,345,748,792

**SOURCE OF FUNDS, PMIA
QUARTER ENDING 6/30/17
AVERAGE QUARTERLY BALANCE: \$73.028 billion**



SUMMARY STATISTICS

Demand Accounts	\$1.288 billion per day on the average
Portfolio	\$69.982 billion per day on the average
Resources	\$71.270 billion per day on the average
Earnings	\$484.507 million from security investments \$28.852 million from bank time deposits \$14.097 million from General Fund loans
Earnings Rate	0.75 percent average for all investments
Dollar Value of Investment Transactions	\$329.2 billion
Number of Investment Transactions	7,321 transactions
Time Deposits	78 banks, credit unions and savings and loan associations held PMIA money at year-end

INVESTMENT PROGRAM

While the PMIB designates how much shall be invested in interest-bearing time deposit accounts and securities, it is the responsibility of the State Treasurer to administer the investment program on a day-to-day basis in line with overall PMIB policy. This entails a daily determination of amounts available for investment, or the need for liquidating securities to meet estimated warrant redemption requirements, while maintaining the approved compensating balance position. This means that the State Treasurer must continually adjust the estimates for receipts and disbursements to reflect currently available information.

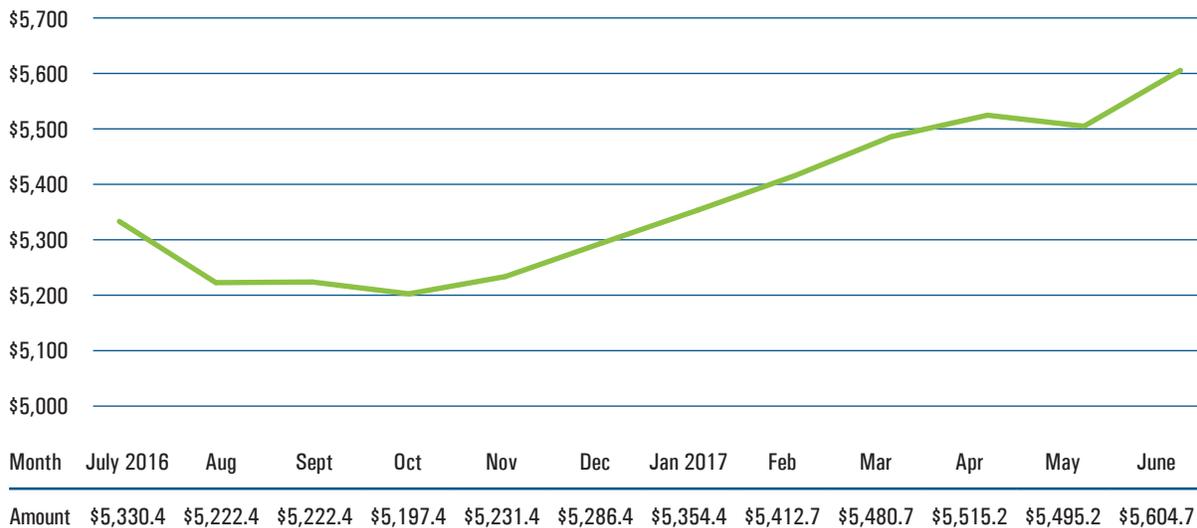
For Fiscal Year 2016-17, daily investments in time deposits ranged from \$5.172 billion to \$5.605 billion and averaged \$5.353 billion daily. There were 1,395 time deposit transactions totaling \$34.177 billion during the year. California commercial banks, savings and loan associations and credit unions receiving these state deposits must secure them with approved securities having a market value of at least 110 percent of the deposits or with approved promissory notes secured by mortgages or deeds of trust having a market value of at least 150 percent of the deposits. The same collateral requirements also apply to the State's demand accounts. At the end of Fiscal Year 2016-17, interest-bearing time deposits were held by 65 commercial banks, 11 credit unions and two savings and loans throughout California. For the fiscal year, PMIA holdings in time deposits had an average yield of 0.54 percent.

The amount of money designated by the PMIB for investment in securities varies dramatically throughout the year. Such designations are made at least monthly. Again, the State Treasurer handles the actual investments, determining the issue and maturity of authorized securities to be bought or sold in accordance with cash needs and both current and projected market conditions. During Fiscal Year 2016-17, there were 2,986 security purchase transactions and 2,940 security sales or redemption transactions, with a total investment activity of \$295.039 billion. The overall return on investments was 0.75 percent.

Total earnings for the PMIA in Fiscal Year 2016-17 were \$527.456 million. These earnings were credited as follows:

Surplus Money Investment Fund	\$272,293,811
Local Agency Investment Fund	\$164,237,950
General Fund	\$87,539,192
Public Employees' Retirement Fund	\$2,532,628
Teachers' Retirement Fund	\$512,704
Fish and Game Preservation Fund	\$339,885
TOTAL EARNINGS	\$527,456,170

TIME DEPOSITS BY MONTH-END, FISCAL YEAR 2016-17 (\$ in millions)



ANALYSIS OF THE PORTFOLIO, FISCAL YEAR 2016-17

Type of Security	Average Daily Portfolio	Percent of Portfolio (%)	Earnings For Year	Average Portfolio Life on 6/30/17 (in Days)
U.S. Treasury Bills/Strips	\$12,027,319,671	17.19	\$73,211,520	191
U.S. Treasury Bonds/Notes	\$20,841,023,564	29.78	\$161,900,937	398
Agency Coupon Securities	\$2,262,021,686	3.23	\$20,949,948	333
Agency Discount Notes	\$7,405,479,383	10.58	\$44,382,205	104
REMICs	\$50,049,546	0.07	\$2,837,524	4381
Negotiable CDs	\$11,933,569,131	17.06	\$112,583,001	80
Bank Notes	\$611,232,877	0.87	\$6,294,055	98
Time Deposits	\$5,352,550,137	7.65	\$28,852,119	68
Commercial Paper	\$7,039,782,528	10.06	\$58,963,946	48
Corporate Bonds	\$0	0.00	\$0	0
Repurchase Agreements	\$0	0.00	\$0	0
Reverse Repurchase Agreements	\$0	0.00	\$0	0
AB 55 Loans	\$553,982,745	0.79	\$3,384,279	212
General Fund Loans	\$1,905,091,507	2.72	\$14,096,636	0
TOTAL PORTFOLIO	\$69,982,102,775	100.00%	\$527,456,170	194

**SUMMARY OF INVESTMENTS AND EARNINGS FOR FISCAL YEARS
ENDING JUNE 30, 2008 THROUGH 2017 (\$ in thousands)**

INVESTMENT IN SECURITIES				INVESTMENT IN TIME DEPOSITS			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
2007-08	\$53,475,554	\$2,376,670	4.44	2007-08	\$9,120,990	\$329,215	3.61
2008-09	\$45,780,185	\$1,109,867	2.42	2008-09	\$7,869,934	\$91,806	1.17
2009-10	\$50,860,515	\$349,144	0.69	2009-10	\$4,647,944	\$9,429	0.20
2010-11	\$56,768,448	\$294,039	0.52	2010-11	\$4,008,345	\$7,713	0.19
2011-12	\$50,379,295	\$204,808	0.41	2011-12	\$4,173,405	\$4,207	0.10
2012-13	\$50,680,825	\$160,581	0.32	2012-13	\$4,344,156	\$6,484	0.15
2013-14	\$48,555,052	\$127,410	0.26	2013-14	\$4,517,204	\$4,550	0.10
2014-15	\$51,833,180	\$148,978	0.29	2014-15	\$5,089,667	\$4,307	0.08
2015-16	\$58,774,672	\$267,315	0.45	2015-16	\$5,622,068	\$11,746	0.21
2016-17	\$62,724,461	\$484,507	0.77	2016-17	\$5,352,550	\$28,852	0.54

LOANS TO GENERAL FUND				TOTAL INVESTMENTS			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
2007-08	\$882,969	\$39,863	4.51	2007-08	\$63,479,513	\$2,745,747	4.32
2008-09	\$6,353,078	\$133,004	2.09	2008-09	\$60,003,197	\$1,334,677	2.22
2009-10	\$9,572,380	\$65,231	0.68	2009-10	\$65,080,839	\$423,804	0.65
2010-11	\$6,444,910	\$30,828	0.48	2010-11	\$67,221,703	\$332,579	0.49
2011-12	\$9,080,017	\$33,974	0.37	2011-12	\$63,632,717	\$242,989	0.38
2012-13	\$5,729,912	\$19,699	0.34	2012-13	\$60,754,893	\$186,764	0.31
2013-14	\$2,263,360	\$5,755	0.25	2013-14	\$55,335,616	\$137,715	0.25
2014-15	\$2,215,814	\$5,799	0.26	2014-15	\$59,138,661	\$159,084	0.27
2015-16	\$971,008	\$4,315	0.44	2015-16	\$65,367,748	\$283,376	0.43
2016-17	\$1,905,092	\$14,097	0.74	2016-17	\$69,982,103	\$527,456	0.75

Financial Community Coverage

The following firms conducted investment transactions with the State Treasurer's Office during Fiscal Year 2016-17.

1 st Capital Bank	East West Bank	Pacific City Bank
Academy Securities, Inc	EverTrust Bank	Pacific Commerce Bank
Alamo Capital	Farmers & Merchants Bank of Central California	Pacific Enterprise Bank
American Plus Bank, N.A.	Financial Partners Credit Union	Pacific Premier Bank
American River Bank	First Choice Bank	Pacific Western Bank
Americas United Bank	First Community Bank	Preferred Bank
Banc of California, N.A.	First Foundation Bank	Premier Business Bank
Bank Leumi USA	First National Bank of Northern California	Presidio Bank
Bank of Hope	First Republic Bank	Prospectors Federal Credit Union
Bank of Montreal	Five Star Bank	Provident Credit Union
Bank of San Francisco	Folsom Lake Bank	Rabobank International New York
Bank of Santa Clarita	General Electric Capital	Ramirez & Co. Inc.
Bank of the Sierra	Golden Valley Bank	RBC Capital Markets LLC
Bank of the West	Grandpoint Bank	River City Bank
Bank of Tokyo-Mitsubishi LTD (The)	Great Pacific Securities	SAFE Credit Union
Barclays Capital Inc.	Hanmi Bank	San Diego County Credit Union
BBCN Bank	Heritage Bank of Commerce	Santa Cruz County Bank
Beneficial State Bank	Heritage Oaks Bank	Schools Financial Credit Union
BGC Brokers Inc.	ICAP Corporates LLC	Scotia Capital Markets (USA) Inc.
Blaylock Van LLC	J.P. Morgan Securities LLC	Siebert Cisneros Shank & Co. LLC
BMO Capital Markets Corp.	Jefferies LLC	Signature Securities Group Corp.
BNP Paribas Securities Corp.	KGS Alpha Capital Markets	Societe Generale
Bofl Federal Bank	Lloyds Bank	Stifel, Nicolaus & Co., Inc.
Cabrera Capital Markets LLC	Loop Capital Markets LLC	Summit State Bank
California Bank of Commerce	Malaga Bank	Sutter Securities Inc.
California Coast Credit Union	Manufacturers Bank	TD Securities (USA) LLC
California United Bank	Mechanics Bank	Toyota Motor Credit Corp.
Cantor Fitzgerald and Co.	Merchants National Bank of Sacramento	Trans Pacific National Bank
CastleOak Securities LP	Meriwest Credit Union	Travis Credit Union
CIBC World Markets Corp.	Merrill Lynch, Pierce, Fenner & Smith Inc.	Tri Counties Bank
Citigroup Global Markets Inc.	Mesirow Financial Inc.	Tri-Valley Bank
Citizens Business Bank	Metropolitan Bank	Tullet Prebon
CommerceWest Bank	MFR Securities Inc.	U.S. Bank NA
Commonwealth Business Bank	Mischler Financial Group LLC	Umpqua Bank
Community 1st Bank	Mission Federal Credit Union	Union Banc Investment Services
Community Bank	Mission National Bank	Uniti Bank
Community Bank of the Bay	Mizuho Securities USA Inc.	US Metro Bank
Community Business Bank	Morgan Stanley & Co. LLC	Vining Sparks
Community Valley Bank	Multi-Bank Securities, Inc.	Wells Fargo Securities LLC
Community West Bank	New Omni Bank, N.A.	Wescom Central Credit Union
Cornerstone Community Bank	Oak Valley Community Bank	Western Alliance Bank
CTBC Bank	Open Bank	Williams Capital Group, LP (The)
Daiwa Capital Markets America Inc.	Opus Bank	Woori America Bank
Drexel Hamilton LLC	Pacific Alliance Bank	



2. Local Agency Investment Fund

PROGRAM SUMMARY

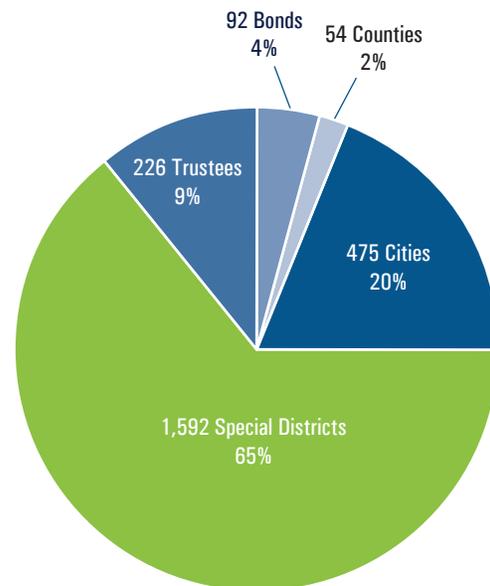
The Local Agency Investment Fund (LAIF) was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies as a part of the PMIA.

Each participating agency determines the length of time its money will be on deposit with the State Treasurer with the exception of bond proceeds, which must remain for a minimum of 30 days. At the end of each quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amount deposited in the LAIF and the length of time such amount remained in the LAIF. Prior to the distribution, the reasonable costs of administering the program are deducted from the earnings. As of June 30, 2017, there were 2,439 participants in the LAIF consisting of 54 counties, 475 cities, 1,592 special districts, 226 trustees and 92 bond accounts.

FISCAL YEAR IN REVIEW

Resources	\$21.80 billion per day on average
Earnings	\$164.24 million
Earning Rate	0.75 percent

LOCAL AGENCY INVESTMENT FUND PARTICIPATION AS OF 6/30/17, 2,439 AGENCIES



3. Surplus Money Investment Fund

PROGRAM SUMMARY

The Surplus Money Investment Fund (SMIF) consists of the available cash of all special funds which do not have their own investment authority, and all or a portion of the available cash of special funds having investment authority of their own, but which have elected to be included in the program. Cash balances in excess of needs in any of these participating funds are invested by the State Treasurer.

The PMIB determines whether any cash balances of the participating funds exceed current needs and are available for investment, or whether it is necessary to liquidate previous investments to meet current requirements. This determination is performed operationally by the State Controller by means of a continuing review of the cash balances of the participating funds.

As a result of these determinations, the State Controller prepares a document for the PMIB's approval which authorizes it to increase or decrease the invested balances of the applicable funds.

All of the resources of the SMIF are invested through the PMIA. Prior to Fiscal Year 1967-68, the SMIF was a separate

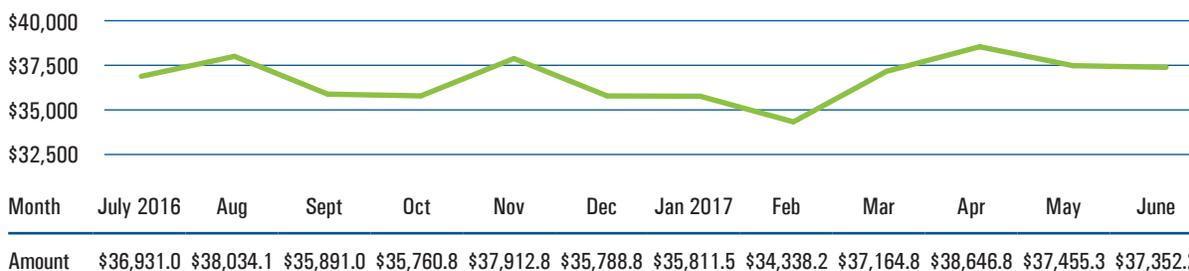
investment program. In 1967, legislation was enacted (Chapter 505, Statutes of 1967) which required that money in the SMIF be invested through the PMIA. This legislation further provided that the SMIF would share in the interest earnings of the PMIA based on the ratio of the dollar-day contributions of the SMIF to the dollar-day investments of the PMIA.

This legislation increased the potential investment earnings for both programs, since their high and low resource periods tend to complement each other. Consequently, under normal market conditions, more long-term, higher yielding securities may be purchased.

There were more than a thousand special funds and accounts participating in the SMIF as of June 30, 2017. Total resources for SMIF were \$37.352 billion per quarter.

Gross earnings totaled \$272.294 million for Fiscal Year 2016-17. This represents an earning rate of 0.75 percent for this investment program. SMIF earnings are computed on a dollar-day basis to guarantee equitable distribution among all member funds and are apportioned quarterly by the State Controller.

RESOURCES OF SMIF BY MONTH-END, FISCAL YEAR 2016-17 (\$ in millions)



Source: State Controller's Office, Available Cash Assets in the State Treasury

4. Centralized Treasury and Securities Management

Investments of the PMIA are made from money flowing through the State Treasurer's non-interest bearing demand accounts, which are maintained with eight banks for the purpose of providing necessary statewide depository coverage for the remittance of funds collected by the various state agencies. These bank accounts are managed by the Centralized Treasury and Securities Management Division (CTSMD), which oversees all banking aspects of the Centralized Treasury System (CTS). The goals of the CTSMD are to maximize the earning of interest consistent with safe and prudent treasury management and to ensure that the depository banks provide the State with proper and adequate security for the deposit of state monies.

Within CTSMD, Securities and Banking Services (SBS) manages the demand account banking functions (through which approximately \$2 trillion flows each year), meets the cash liquidity needs of all state agencies and departments, and ensures that all idle funds are invested daily. SBS accomplishes this by forecasting agency revenue collections and disbursements and their impact on the PMIA and using compensating balances to allow for the variances in cash flow that are a natural consequence when forecasting the movement of cash. During the fiscal year, the balances allowed for banking services represent compensation for handling 343,606 bank deposits, 32 million checks deposited, 80,273 dishonored checks, \$738 million in currency and coin deposited, and 64.9 million warrants/agency checks/vouchers paid.

In addition, SBS clears and settles securities purchased and sold for investment by the State Treasurer for the PMIA and other active investment funds as well as for securities pledged to the State for certain agencies or departments, including the Department of Insurance and the Employ-

ment Development Department. SBS managed over \$113 billion in investment and pledged securities consisting of 8,183 positions for 1,237 accounts; 9.3 million shares of stock for State Compensation Insurance Fund programs; and 230 time deposits representing \$5.6 billion for 78 financial institutions in the Time Deposit Program. During the fiscal year, SBS cleared and settled approximately 54,000 transactions totaling \$322 billion and 17.5 million shares of stock.

Also within CTSMD, Banking Operations (BO) administers, clears and settles securities pledged as collateral by California financial institutions to the State for the Time Deposit, Demand, and State Agency programs. It ensures that all collected funds on deposit are collateralized in accordance with state law. BO managed over \$8.7 billion in securities consisting of 1,964 positions for 109 financial institutions. During the fiscal year, BO cleared and settled approximately 14,000 security transactions totaling \$27.6 billion. BO administers the safekeeping of items in the State Treasurer's Office vault, completing approximately 700 transactions annually and holding an inventory of 13,000 items. BO is also responsible for the custody and protection of securities and items inside the vault as well as the physical security of the vault.

BO also redeems all items presented by banks for payment (about 260,000 items daily), handles forgeries, and manages stop payments. It reconciles deposits made by various state agencies and departments into the CTS accounts as set up by the State Treasurer, ensuring that all financial activities are accurately and timely posted by the state depository banks. In addition, BO manages the Electronic Funds Transfer (EFT) collection and miscellaneous-sort/pre-sort deposit programs, under which the state collected approximately \$198 billion during the fiscal year.

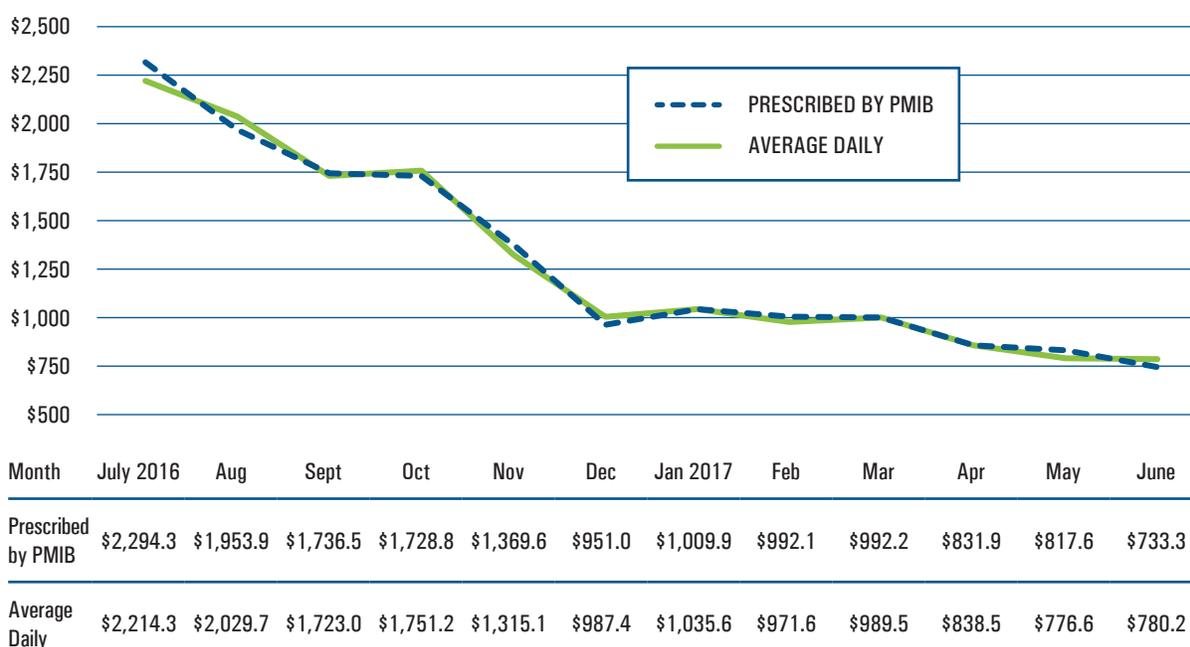
SCHEDULE OF BANKING SERVICES, FISCAL YEAR 2016-17

NON-EFT CONTRACT SERVICES	Actual Volume	Approved Charges	Actual Cost
Encoded Checks Deposited			
Encoded Checks On Us	0	\$0.05	\$0
ICL Encoded On Us	13,335,279	\$0.03	\$400,058
Encoded Checks Other	206,950	\$0.06	\$12,417
ICL Encoded Other	1,091,040	\$0.03	\$32,731
ICL Encoded Other (Misc Sort)	8,705,852	\$0.01	\$87,059
Remote Site Checks	2,985,095	\$0.05	\$149,255
Non-Encoded Checks	5,666,921	\$0.10	\$566,692
Other			
Dishonored Checks	80,273	\$6.20	\$497,693
Regular Deposits	119,179	\$1.80	\$214,522
Split Bag Deposits	143,049	\$0.75	\$107,287
Electronic Deposits (ICL, RSD)	81,378	\$1.00	\$81,378
Currency and Coin Deposited	738,280,942	\$0.00120	\$885,937
Warrants/Agency Checks/Vouchers Paid	64,923,219	\$0.01	\$649,232
ACH Transactions	295,996	\$0.01	\$2,960
Checks Paid	124	\$0.12	\$15
Direct Billed Services			\$872,773
SUBTOTAL NON-EFT CONTRACT SERVICES			\$4,560,009
EFT CONTRACT SERVICES (DIRECT BILLED)			
ACH Credits	8,934,209	\$0.015	\$134,013
ACH Debits	1,241,490	\$0.21	\$260,713
Category II Items Processed	12,599,509	\$0.00	\$0
Returned/Rejected Items	214,115	\$1.50	\$321,173
Other transactions	97,151	Various	\$79,530
SUBTOTAL EFT CONTRACT SERVICES SERVICES			\$795,429
TOTAL BANKING SERVICES			\$5,355,438

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2016-17 (\$ in thousands)

Month	Bank Balance Required for Banking Services	Bank Balance Required for Uncollected Funds	Less Net Delayed Deposit Credit	Bank Balance Prescribed by PMIB	Actual Average Daily Bank Balance
July 2016	\$2,215,684	\$79,728	\$1,102	\$2,294,309	\$2,214,322
August	1,889,987	69,478	5,612	1,953,853	2,029,671
September	1,667,617	84,526	15,595	1,736,547	1,723,003
October	1,676,365	54,494	2,017	1,728,842	1,751,233
November	1,283,184	87,970	1,568	1,369,586	1,315,117
December	896,125	55,917	1,043	950,998	987,415
January 2017	907,845	103,156	1,145	1,009,856	1,035,640
February	920,961	73,168	1,989	992,140	971,590
March	913,529	80,105	1,447	992,187	989,474
April	767,485	66,488	2,069	831,903	838,466
May	717,105	102,888	2,410	817,583	776,553
June	682,092	53,439	2,193	733,338	780,154
WEIGHTED AVERAGE	\$1,215,107	\$76,000	\$3,169	\$1,287,939	\$1,288,275

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2016-17 (\$ in millions)



Appendix A

POOLED MONEY INVESTMENT ACCOUNT SUMMARY OF INVESTMENTS AND EARNINGS (\$ in thousands)

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
1956-57	\$393,742	\$9,573	2.43
1957-58	\$594,306	\$16,421	2.76
1958-59	\$544,868	\$15,762	2.89
1959-60	\$614,835	\$21,045	3.42
1960-61	\$736,204	\$28,139	3.82
1961-62	\$867,144	\$26,521	3.06
1962-63	\$910,863	\$30,548	3.35
1963-64	\$896,535	\$32,519	3.63
1964-65	\$966,592	\$38,004	3.93
1965-66	\$1,083,347	\$47,761	4.41
1966-67	\$1,057,800	\$52,540	4.97
1967-68	\$1,117,717	\$56,566	5.06
1968-69	\$1,301,302	\$78,174	6.01
1969-70	\$1,216,414	\$84,781	6.97
1970-71	\$1,264,894	\$77,527	6.13
1971-72	\$1,397,494	\$68,350	4.89

POOLED MONEY INVESTMENT ACCOUNT SUMMARY OF INVESTMENTS AND EARNINGS (\$ in thousands), CONTINUED

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
1972-73	\$2,254,401	\$125,116	5.55
1973-74	\$2,594,629	\$232,780	8.97
1974-75	\$2,749,431	\$238,298	8.67
1975-76	\$3,209,143	\$204,303	6.37
1976-77	\$4,460,487	\$261,657	5.87
1977-78	\$6,843,940	\$458,625	6.70
1978-79	\$8,123,266	\$692,417	8.52
1979-80	\$8,285,941	\$873,469	10.54
1980-81	\$7,298,693	\$786,877	10.78
1981-82	\$5,234,524	\$631,968	12.07
1982-83	\$5,254,589	\$549,229	10.45
1983-84	\$7,094,849	\$738,462	10.41
1984-85	\$11,903,660	\$1,275,503	10.72
1985-86	\$15,438,406	\$1,401,990	9.08
1986-87	\$19,167,196	\$1,425,047	7.43
1987-88	\$17,628,558	\$1,388,074	7.87

**POOLED MONEY INVESTMENT ACCOUNT
SUMMARY OF INVESTMENTS AND EARNINGS
(\$ in thousands), CONTINUED**

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
1988-89	\$17,496,405	\$1,516,767	8.67
1989-90	\$19,558,775	\$1,692,905	8.66
1990-91	\$20,754,895	\$1,663,140	8.01
1991-92	\$21,456,433	\$1,329,476	6.20
1992-93	\$23,051,543	\$1,085,126	4.71
1993-94	\$25,433,078	\$1,115,660	4.39
1994-95	\$26,802,123	\$1,482,574	5.53
1995-96	\$26,623,196	\$1,519,020	5.71
1996-97	\$28,264,069	\$1,582,443	5.60
1997-98	\$29,344,512	\$1,672,382	5.70
1998-99	\$33,451,088	\$1,787,765	5.34
1999-00	\$35,029,034	\$1,999,483	5.71
2000-01	\$43,840,421	\$2,676,158	6.10
2001-02	\$49,827,077	\$1,716,545	3.45
2002-03	\$52,636,648	\$1,132,930	2.15

**POOLED MONEY INVESTMENT ACCOUNT
SUMMARY OF INVESTMENTS AND EARNINGS
(\$ in thousands), CONTINUED**

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
2003-04	\$54,581,850	\$836,072	1.53
2004-05	\$53,860,487	\$1,215,116	2.26
2005-06	\$55,714,817	\$2,157,845	3.87
2006-07	\$58,147,441	\$2,977,625	5.12
2007-08	\$63,479,513	\$2,745,747	4.32
2008-09	\$60,003,197	\$1,334,677	2.22
2009-10	\$65,080,839	\$423,804	0.65
2010-11	\$67,221,703	\$332,579	0.49
2011-12	\$63,632,717	\$242,989	0.38
2012-13	\$60,754,893	\$186,764	0.31
2013-14	\$55,335,616	\$137,715	0.25
2014-15	\$59,138,661	\$159,084	0.27
2015-16	\$65,367,748	\$283,376	0.43
2016-17	\$69,982,103	\$527,456	0.75

Appendix B

HISTORICAL PMIA YIELDS (% per year)

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Mar-77		5.68	
Jun-77	5.87	5.78	5.79
Sep-77		5.84	
Dec-77		6.45	6.18
Mar-78		6.97	
Jun-78	6.70	7.35	7.17
Sep-78		7.86	
Dec-78		8.32	8.09
Mar-79		8.81	
Jun-79	8.52	9.10	8.98
Sep-79		9.26	
Dec-79		10.06	9.66
Mar-80		11.11	
Jun-80	10.54	11.54	11.38
Sep-80		10.01	

HISTORICAL PMIA YIELDS (% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Dec-80		10.47	10.21
Mar-81		11.23	
Jun-81	10.78	11.68	11.69
Sep-81		12.40	
Dec-81		11.91	12.19
Mar-82		11.82	
Jun-82	12.07	11.99	11.93
Sep-82		11.74	
Dec-82		10.71	11.26
Mar-83		9.87	
Jun-83	10.45	9.64	9.98
Sep-83		10.04	
Dec-83		10.18	10.15
Mar-84		10.32	
Jun-84	10.41	10.88	10.63

**HISTORICAL PMIA YIELDS
(% per year), CONTINUED**

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Sep-84		11.53	
Dec-84		11.41	11.44
Mar-85		10.32	
Jun-85	10.72	9.98	10.19
Sep-85		9.54	
Dec-85		9.43	9.50
Mar-86		9.09	
Jun-86	9.08	8.39	8.70
Sep-86		7.81	
Dec-86		7.48	7.65
Mar-87		7.24	
Jun-87	7.44	7.21	7.23
Sep-87		7.54	
Dec-87		7.97	7.80
Mar-88		8.01	
Jun-88	7.87	7.87	7.95
Sep-88		8.20	
Dec-88		8.45	8.34
Mar-89		8.76	
Jun-89	8.67	9.13	8.97
Sep-89		8.87	
Dec-89		8.68	8.78
Mar-90		8.52	
Jun-90	8.66	8.50	8.52
Sep-90		8.39	
Dec-90		8.27	8.34

**HISTORICAL PMIA YIELDS
(% per year), CONTINUED**

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Mar-91		7.97	
Jun-91	8.01	7.38	7.67
Sep-91		7.00	
Dec-91		6.52	6.74
Mar-92		5.87	
Jun-92	6.20	5.45	5.65
Sep-92		4.97	
Dec-92		4.67	4.82
Mar-93		4.64	
Jun-93	4.71	4.51	4.61
Sep-93		4.44	
Dec-93		4.36	4.39
Mar-94		4.25	
Jun-94	4.39	4.45	4.36
Sep-94		4.96	
Dec-94		5.37	5.15
Mar-95		5.76	
Jun-95	5.53	5.98	5.87
Sep-95		5.89	
Dec-95		5.76	5.83
Mar-96		5.62	
Jun-96	5.71	5.52	5.56
Sep-96		5.57	
Dec-96		5.58	5.57
Mar-97		5.56	
Jun-97	5.59	5.63	5.59

HISTORICAL PMIA YIELDS
(% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Sep-97		5.68	
Dec-97		5.71	5.69
Mar-98		5.70	
Jun-98	5.70	5.66	5.67
Sep-98		5.64	
Dec-98		5.46	5.55
Mar-99		5.19	
Jun-99	5.34	5.08	5.13
Sep-99		5.21	
Dec-99		5.49	5.34
Mar-00		5.80	
Jun-00	5.71	6.18	5.99
Sep-00		6.47	
Dec-00		6.52	6.49
Mar-01		6.16	
Jun-01	6.10	5.32	5.73
Sep-01		4.47	
Dec-01		3.52	3.99
Mar-02		2.96	
Jun-02	3.45	2.75	2.85
Sep-02		2.63	
Dec-02		2.31	2.47
Mar-03		1.98	
Jun-03	2.15	1.77	1.86
Sep-03		1.63	
Dec-03		1.56	1.59

HISTORICAL PMIA YIELDS
(% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Quarterly*
Mar-04		1.47	1.47
Jun-04	1.53	1.44	1.44
Sep-04		1.67	1.67
Dec-04		2.00	2.00
Mar-05		2.38	2.37
Jun-05	2.26	2.85	2.85
Sep-05		3.18	3.18
Dec-05		3.63	3.63
Mar-06		4.03	4.03
Jun-06	3.87	4.53	4.53
Sep-06		4.93	4.93
Dec-06		5.11	5.11
Mar-07		5.17	5.17
Jun-07	5.12	5.23	5.23
Sep-07		5.24	5.24
Dec-07		4.96	4.96
Mar-08		4.18	4.17
Jun-08	4.33	3.11	3.11
Sep-08		2.77	2.77
Dec-08		2.54	2.53
Mar-09		1.91	1.90
Jun-09	2.22	1.51	1.51
Sep-09		0.90	0.89
Dec-09		0.60	0.59
Mar-10		0.56	0.55
Jun-10	0.65	0.56	0.56

**HISTORICAL PMIA YIELDS
(% per year), CONTINUED**

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Quarterly*
Sep-10		0.51	0.50
Dec-10		0.46	0.46
Mar-11		0.51	0.51
Jun-11	0.50	0.48	0.48
Sep-11		0.38	0.38
Dec-11		0.38	0.38
Mar-12		0.38	0.37
Jun-12	0.38	0.36	0.36
Sep-12		0.35	0.35
Dec-12		0.32	0.32
Mar-13		0.28	0.28
Jun-13	0.31	0.24	0.25
Sep-13		0.26	0.25
Dec-13		0.26	0.25
Mar-14		0.23	0.22
Jun-14	0.25	0.22	0.23
Sep-14		0.24	0.23
Dec-14		0.25	0.25
Mar-15		0.26	0.25
Jun-15	0.27	0.28	0.28
Sep-15		0.32	0.32
Dec-15		0.37	0.36
Mar-16		0.46	0.46
Jun-16	0.43	0.55	0.54

**HISTORICAL PMIA YIELDS
(% per year), CONTINUED**

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Quarterly*
Sep-16		0.60	0.60
Dec-16		0.68	0.67
Mar-17		0.78	0.77
Jun-17	0.754	0.92	0.92

*Effective January 1, 2004, SMIF earnings are allocated quarterly.



CALIFORNIA STATE TREASURER'S OFFICE

915 Capitol Mall, Room 110
Sacramento, California 95814
(916) 653-2995
www.treasurer.ca.gov

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